

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 236 - SB 2026

March 14, 2011

SUMMARY OF BILL: Classifies a traffic citation obtained from traffic enforcement cameras as a non-moving violation. Prohibits traffic citations from traffic surveillance cameras from being reported to the Department of Safety or used by insurance providers or credit reporting agencies. Requires evidence from traffic enforcement cameras to be reviewed by POST-certified officers. Requires local law enforcement agencies to mail notices of violations to the vehicle's registered owner and to provide photographic and video evidence to the owner on a secured website. Effective July 1, 2011, any local government that installs, owns, operates, or maintains traffic surveillance cameras must meet signage guidelines established by the Manual on Uniform Traffic Control Devices (MUTCD). Requires the local governing body, by majority vote, to request a traffic engineering study be performed prior to implementation of any new traffic surveillance camera and to approve the installation of any traffic surveillance cameras at new locations. Establishes protocols for all cameras operating after January 1, 2012, including signal, sign, and pavement marking requirements. Requires any contracts entered into after July 1, 2011, to be limited to four years and contain a notice that the operation of traffic surveillance cameras is governed by state law. Requires the Comptroller and local governments operating cameras to post all camera locations on their respective websites. Requires a 30-day warning period and public announcements announcing new camera installations. Violations are subject only to a fine not to exceed \$50, including court costs.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$1,132,800

Increase State Expenditures – \$75,800

Decrease Local Revenue – \$2,856,900

**Increase Local Expenditures – \$450,000/One-Time/Permissive
\$50,900/Recurring/Permissive**

Assumptions:

- Prohibiting local governments from reporting citations to the Department of Safety, insurance companies, and credit agencies will reduce the incentive for violators to pay assessed fines. The rate at which collections will be reduced is unknown but is estimated to be approximately 50 percent.
- Based on a 2011 Fiscal Review Committee Survey of communities currently utilizing traffic enforcement cameras, local governments collect revenue of approximately

- \$5,594,081 as a result of traffic citations and fines. Reducing total collections by 50 percent will result in a decrease to local revenue of \$2,797,041 ($\$5,594,081 \times .50$).
- Evidence from enforcement cameras is currently reviewed by POST-certified officer.
 - According to a 2011 Fiscal Review Committee survey of communities currently utilizing traffic enforcement cameras, there are approximately 115,680 citations issued by local governments each year. The cost to mail citations will be \$0.44 per citation resulting in an increase to local expenditures of \$50,899 ($115,680 \text{ citations} \times \0.44).
 - While local departments currently maintain websites, adding a secure page to the site to enable violators to view photographic and video evidence would be required. Development of secure pages can be accommodated within the existing information technology resources of each municipality.
 - Local governments will experience an increase in one-time expenditures estimated to exceed \$50,000 for installation of required signals, signs, and pavement markings.
 - The cost to conduct a traffic engineering study is unknown due to a number of variables but is estimated to be approximately \$100,000. Based on a 2010 Fiscal Review Committee Survey, eight municipal governments are considering the use of traffic enforcement cameras. Fifty percent of local governments considering the use of traffic enforcement cameras will conduct a traffic safety study resulting in a permissive one-time increase to local government expenditures of approximately \$400,000 ($\$100,000 \times 4 \text{ municipalities}$).
 - Limiting contracts with traffic enforcement camera vendors to four-year terms will not affect the established payment structure or impact revenue to local governments.
 - The state litigation tax is \$13.75. County clerks retain five percent of the litigation tax, resulting in \$13.06 to the state and \$0.69 to local governments per assessment.
 - According to a 2010 Fiscal Review Committee Survey, approximately four municipalities assess additional costs, including the state litigation tax, to citations at the time of issuance.
 - According to a 2011 Fiscal Review Committee survey of communities currently utilizing traffic enforcement cameras, there are approximately 13 cameras per municipality each issuing approximately 139 citations monthly resulting in 21,684 citations per camera per year.
 - The litigation tax is estimated to be assessed on approximately 86,736 citations ($21,684 \times 4 \text{ municipalities}$).
 - Prohibiting the assessment of the state litigation tax will result in a decrease to state revenue of \$1,132,772 ($86,736 \text{ citations} \times \$13.06 \text{ litigation tax}$).
 - Prohibiting the assessment of the state litigation tax will result in a decrease to local revenue of \$59,848 ($86,736 \text{ citations} \times \$0.69 \text{ litigation tax}$).
 - According to the Comptroller, auditing local governments with traffic enforcement cameras, compiling data on locations of traffic cameras across the state, and posting this data to the Comptroller's website is estimated to require one new full-time auditor. The salary for one auditor is \$54,000 plus benefits of \$17,774.76 resulting in an increase to state expenditures of \$71,775.
 - According to the Comptroller, there will be a recurring increase to state expenditures of \$4,000 for an auditor to travel to communities utilizing traffic enforcement cameras.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/agl